

GOVERNMENT EMPLOYMENT POLICY IN UKRAINE: THE NEED TO RESET

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Modern employment in Ukraine is characterized by intensification of the contradictions of the recent years and accumulation of new challenges – consequences of the economic crisis, the ongoing conflict in the eastern areas, and errors in the government employment policy. As a result, the employment rate of the population aged 15-70 fell to the lowest index for all years of observation (down to 56.2 percent); the number of full-time employees decreased by 17 percent for the period of 2.5 years; shadow employment grows; more than 40 percent of university graduates cannot find jobs in their specialties.

According to the author, the lack of correlation and coordination of various elements of macroeconomic policy with the employment policy contributed to whittling down job creation and updating of capital, the wear of which reached catastrophic dimensions of 83.5 percent. Modernization of jobs is constrained by low purchasing power of the population. The share of wages in the com-

position of GDP decreased to 46.3 percent. The reduction of Ukrainian exports, with the prevalence rates of primary and intermediate products, has a significant negative impact on employment rate.

The core of the author's concept of overcoming the crisis on the labor market is to primarily update the government investment policy, which should be based on the attractive investment climate, attracting funds from the public, securing the reliability of the banking system, creating real incentives and barriers against leakage of money abroad. Specific activities are required to increase productivity, and the consistent rates of pay increase. It is also important for the government employment policy to shift the focus from payment of unemployment benefits to implementation of active programs to promote employment, provided that these programs, if applied by the employment service, will enhance the placement of the unemployed.